

Exhibit 18

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Lawsuit alleges collusion over insulin pricing

Ed Silverman; STAT

The latest dustup over the rising price of insulin has found its way to a federal court, where several consumers are accusing the three biggest manufacturers — Sanofi SA, Eli Lilly & Co., and Novo Nordisk A/S — of running a coordinated scheme that has caused patients economic harm.

The lawsuit arrives two months after Senator Bernie Sanders, independent of Vermont, and Representative Elijah Cummings, Democrat of Maryland, asked the Department of Justice and the Federal Trade Commission to investigate the companies for price collusion. They cited a pattern in which prices for insulin often rose in tandem over several years, and they expressed concern the drug makers conspired to raise prices and, as a result, drove up the cost for patients and taxpayers.

The lawsuit makes similar allegations, saying that the companies raised prices on their drugs by more than 150 percent and that, as a result, some consumers pay almost \$900 each month. "Drugs that used to cost \$25 per prescription now cost between \$300 and \$450 a month," according to the lawsuit, which was filed in federal court in Boston and seeks class action status.

In an e-mail, a Lilly spokesman said the Indianapolis-based company "conducts business in a manner that ensures compliance with all applicable laws, and we adhere to the highest ethical standards."

A Sanofi spokeswoman said in an e-mail that the French company "strongly believe these allegations have no merit and will defend against these claims," a position echoed by Novo Nordisk, based in Denmark.

The latest accusations follow months of reports about skyrocketing costs for insulin.

A study last year, for instance, in the Journal of the American Medical Association found the price for a milliliter of insulin climbed 197 percent from \$4.34 per to \$12.92 between 2002 and 2013. More than 29 million Americans, or 9.3 percent of the population, have some form of diabetes, according to the Centers for Disease Control and Prevention.

In November, Novo Nordisk attempted to turn attention toward the overall pricing system and, in particular, pharmacy benefit managers, which are middlemen that negotiate placement for drugs on preferred coverage lists used by health plans. Drug makers regularly pay rebates and other discounts for better placement and argue such givebacks are not always passed along to consumers.

In recent months, more drug makers have argued that rebates are cutting into profits. During the third quarter of 2016, for instance, net prices for brand name medicines sold in the United States fell by 0.3 percent, despite a 9.9 percent increase in list prices, according to Sector & Sovereign Research analyst Richard Evans.

The lawsuit charges, though, that the drug makers have offered the three largest benefit managers — CVS Health, Express Scripts, and OptumRx — larger rebates as a "quid pro quo for patient business." And to compensate for the rebates, the drug maker kept raising list prices. This alleged "arms race," the lawsuit contends, has saddled individuals living with diabetes, regardless of their insurance coverage, with "crushing out-of-pocket expenses."

The drug makers could offer the managers "the same high rebates in a manner that would help consumers: They could lower their real prices, instead of inflating the benchmark [or list] price. Increasing spreads in this manner would benefit consumers. Yet the insulin manufacturers refuse to significantly lower their real prices, and the [managers] continue to accept this behavior so long as benchmark prices continue to rise while real prices stay constant."

One antitrust expert called the lawsuit "big news."

"This is a significant complaint," said Michael Carrier, a Rutgers University law professor who specializes in antitrust matters.

Benefit managers "have avoided drug pricing scrutiny. And [the racketeering law] is a powerful weapon to target this conduct," Carrier said. "The complaint methodically pieces together a complex enterprise that involves drug manufacturers collusively raising the benchmark price paid by uninsured patients, which benefits [managers], who benefit from the increasing spread between benchmark price and real price."

He added that the lawsuit is still more compelling because it provides "numerous gripping examples of patients suffering from the effects of high prices."

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